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CLERK, U.S. BANKRUPTCY CT.  
EASTERN DIST. OF CA.  
SACRAMENTO, CA

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA

In Re:

Case No. 04-29793-C-7

BASSEL BAROUDI,

Debtor.

GOLDEN ROAD MOTOR INN, INC., dba  
ATLANTIS CASINO RESORT,

Plaintiff,

v.

BASSEL M. BAROUDI,

Defendant.

Adversary No. 05-2101-C

ANSWER TO COMPLAINT TO  
DETERMINE DISCHARGEABILITY OF  
DEBT

COMES NOW Defendant by and through his attorney of record and answers the  
Complaint to Determine Dischargeability of Debt as follows:

1. In answer to Paragraph 1 of Plaintiff's Complaint, Defendant admits the allegations  
contained therein.

2. In answer to Paragraph 2 of Plaintiff's Complaint, Defendant admits the allegations  
contained therein.

3. In answer to Paragraph 3 of Plaintiff's Complaint, Defendant admits the allegations  
contained therein.

4. In answer to Paragraph 4 of Plaintiff's Complaint, Defendant admits the allegations

1 contained therein.

2 5. In answer to Paragraph 5 of Plaintiff's Complaint, Defendant admits the allegations  
3 contained therein based on lack of information and belief.

4 6. In answer to Paragraph 6 of Plaintiff's Complaint, Defendant denies the allegations  
5 contained therein.

6 7. In answer to Paragraph 7 of Plaintiff's Complaint, Defendant denies the allegations  
7 contained therein.

8 8. In answer to Paragraph 8 of Plaintiff's Complaint, Defendant denies the allegations  
9 contained therein.

10 9. In answer to Paragraph 9 of Plaintiff's Complaint, Defendant denies the allegations  
11 contained therein based on lack of information and belief.

12 10. In answer to Paragraph 10 of Plaintiff's Complaint, Defendant denies the allegations  
13 contained therein.

14 11. In answer to Paragraph 11 of Plaintiff's Complaint, Defendant denies the allegations  
15 contained therein based on lack of information and belief.

16 12. In answer to Paragraph 12 of Plaintiff's Complaint, Defendant denies the allegations  
17 contained therein.

#### 18 AFFIRMATIVE DEFENSES

19 1. Failure to state cause of action;

20 2. Action dischargeable in Chapter 13 bankruptcy;

21 3. Plaintiff was aware of status of account or did not request information;

22 4. Plaintiff failed to mitigate damages;

23 5. Lack of scienter, lack of actionable intent and/or reckless indifference to actual  
24 facts; and

25 6. No justifiable reliance based on information the creditor either knew or had red  
26 flags and should have known had it taken reasonably commercial steps before granting  
27 additional credit.

28 7. It is against California public policy to enforce gambling debts and California has

1 a public interest in applying California law.

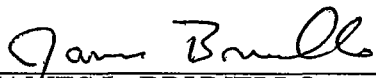
2 8. Debtor's delivery of checks or markers did not make a false statement or  
3 representation, nor does tendering a check constitute the alleged implied representations.

4 9. Debtor intended to honor any alleged checks or markers at the time of issuance.

5 10. There was no nondisclosure of material facts by debtor under which he had a  
6 duty to disclose.

7 11. Debtor had a longstanding record of repaying gambling debts.

8 Dated: 4/6/05

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10 JAMES L. BRUNELLO  
11 Attorney for Debtor/Defendant  
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